

Assembly Joint Resolution

No. 31

Introduced by Assembly Member Jones

July 2, 2007

Assembly Joint Resolution No. 31—Relative to Medicare Part D.

LEGISLATIVE COUNSEL’S DIGEST

AJR 31, as introduced, Jones. Medicare Part D.

This measure would urge the Congress and the President of the United States to amend the Medicare Modernization Act of 2003 to require that the federal government negotiate for the lowest available prices for prescription drugs under the Medicare Part D program, eliminate a specified gap in Medicare Part D coverage, and reduce the “lifetime penalty” for late enrollment in the program. This measure would also urge the Congress and the President of the United States to ensure that California is fully reimbursed for the costs of remedying problems with the implementation and operation of the Medicare Part D program, and to also grant California greater regulatory jurisdiction over Medicare Part D plans.

Fiscal committee: no.

- 1 WHEREAS, The federal government created the Medicare Part
- 2 D prescription drug program as part of the Medicare Modernization
- 3 Act of 2003; and
- 4 WHEREAS, Over 4.3 million California seniors are eligible for
- 5 the Medicare Part D program, approximately one million of whom
- 6 are also eligible for California’s Medi-Cal program and are
- 7 therefore considered dual eligibles; and

1 WHEREAS, The Medicare Modernization Act of 2003 prohibits
2 the Secretary of Health and Human Services from negotiating
3 lower drug prices on behalf of Medicare beneficiaries; and

4 WHEREAS, Medicare Part D participants frequently reach the
5 “doughnut hole,” a coverage gap in which they must pay the full
6 cost of their prescription drugs; and

7 WHEREAS, Medicare Part D participants face “lifetime
8 penalties” if they enroll in the program after their initial enrollment
9 period; and

10 WHEREAS, Medicare Part D participants face a confusing
11 choice between 55 stand-alone private drug plans with varying
12 premiums, copayments, deductibles, and coverage; and

13 WHEREAS, The Medicare Part D program does not provide
14 adequate information for participants to make decisions based on
15 plan performance, deficiencies, or consumer complaints; and

16 WHEREAS, Dual eligibles frequently have many fewer
17 prescription drugs available to them and face dramatically higher
18 copayments under Medicare Part D than they did under Medi-Cal;
19 and

20 WHEREAS, California has already spent millions of dollars to
21 remedy problems with the implementation and operation of the
22 Medicare Part D program; and

23 WHEREAS, California has limited regulatory power over the
24 private drug plans offering coverage to California seniors; now,
25 therefore, be it

26 *Resolved by the Assembly and the Senate of the State of*
27 *California, jointly,* That the Legislature calls on the Congress and
28 the President of the United States to require that the federal
29 government negotiate for the lowest available prices for
30 prescription drugs under the Medicare Part D program; and be it
31 further

32 *Resolved,* That the Legislature calls on the Congress and the
33 President of the United States to eliminate the “doughnut hole”
34 gap in coverage in the Medicare Part D program; and be it further

35 *Resolved,* That the Legislature calls on the Congress and the
36 President of the United States to reduce the “lifetime penalty” for
37 late enrollment in the Medicare Part D program; and be it further

38 *Resolved,* That the Legislature calls on the Congress and the
39 President of the United States to ensure that California is fully
40 reimbursed for the costs of remedying problems with the

1 implementation and operation of the Medicare Part D program;
2 and be it further
3 *Resolved*, That the Legislature calls on the Congress and the
4 President of the United States to give California greater regulatory
5 jurisdiction over Medicare Part D plans; and be it further
6 *Resolved*, That the Chief Clerk of the Assembly transmit copies
7 of this resolution to the President and Vice President of the United
8 States, to the Speaker of the House of Representatives, and to each
9 Senator and Representative from California in the Congress of the
10 United States.

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